RESOLUTION - ACTION REQUESTED 2018-381

MEETING: August 7, 2018

TO: The Board of Supervisors

FROM: Luis Mercado,

RE: Promissory Note with Superior Court of California, County of Mariposa

RECOMMENDATION AND JUSTIFICATION:
Approve an Agreement/Promissory Note with the Superior Court of California, County of Mariposa to Make Payments to the County of Mariposa for the FY 18/19 CalPERS Unfunded Liability Payment for the County of Mariposa Miscellaneous Retirement Plan, and authorize the Board of Supervisors Chair to sign the agreement.

The County of Mariposa will be making a lump sum payment to CalPERS in the amount of $2,367,089 for the FY 18/19 amortized portion of the unfunded liability for the County of Mariposa Miscellaneous retirement plan. A portion of this payment, estimated by the Auditor based on projected payroll in the amount of $75,339.19 is attributable to the Superior Court of California, County of Mariposa (Court). The Court has requested to make payments on a monthly basis rather than a lump sum payment at the beginning of the year. In order to accommodate this request, the Auditor has created a promissory note creating a monthly payment schedule for the Court’s portion of the unfunded liability payment. The annual interest rate used in the payment schedule is 1.54%, which is an estimate by the Treasurer/Tax Collector of the interest rate that will be earned on County investments for FY 18/19.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
In previous fiscal years, the unfunded liability portion of CalPERS retirement contributions was built into the employer contribution percentage paid on monthly payroll reported to CalPERS. FY 18/19 is the second year that the unfunded liability payment for the Miscellaneous plan will be paid as a dollar amount as opposed to a percentage.

A similar payment agreement was approved by the Board for FY 17/18 with Resolution Number 2017-529 on August 8, 2017.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Without this agreement in place, there would be no payment plan by which the Court could reimburse the County of Mariposa for its share of the FY 18/19 unfunded liability payment for the County of Mariposa Miscellaneous retirement plan.

FINANCIAL IMPACT:
Resolution - Action Requested 2018-381

No cost associated with this Board Item.

ATTACHMENTS:
18-19 Court Promissory Note  (PDF)

RESULT:  ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER:  Marshall Long, District III Supervisor
SECONDER:  Kevin Cann, District IV Supervisor
AYES: Rosemarie Smallcombe, Marshall Long, Kevin Cann, Miles Menetrey
EXCUSED:  Merlin Jones